

The American Observer

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

VOLUME VI, NUMBER 12

WASHINGTON, D. C.

NOVEMBER 23, 1936

Federation of Labor Convention at Tampa

Dispute with C.I.O. Big Problem
Considered by A. F. of L. at
Annual Gathering

ISSUE OVER TYPE OF UNIONS

Lewis Group Renews Efforts to Or-
ganize Mass-Production Workers
into Industrial Unions

As the American Federation of Labor opened its annual convention at Tampa, Florida, last week, the nation anxiously awaited the attitude of American labor on a number of vitally important problems. Few, if any, other labor meetings have had the significance of the Tampa convention. Would labor take an aggressive stand on basic economic issues, demanding favors from the government in return for the support it gave President Roosevelt during the campaign? Would the breach in the Federation, which has been growing more serious during the last year, be healed, or would it become permanent, resulting in the establishment of two rival organizations? What would be the attitude of organized labor toward employers now that prosperity seems definitely to be returning? Would it be satisfied with the wage increases which a number of industries, notably steel and automobiles, have announced for their workers? These were but a few of the more important questions looming on the horizon as the convention took up its work last week.

Labor Split

From the long-term standpoint, perhaps the most important of all these questions was the one dealing with the internal conflict in the Federation. This conflict is the result of deep-seated difference of opinion between various factions, and has been growing in intensity for at least two years. It came to a head in August of this year, when the ruling body of the A. F. of L., the executive council, suspended 10 of the most powerful unions for their activities in connection with the Committee for Industrial Organization. The C. I. O., as it is called, was established November 9, 1935, for the purpose of organizing the workers of mass-production industries of the nation, industries such as steel, automobile, cement, rubber, aluminum, radio, and several others, into labor unions. Attempts to compose the differences between the C. I. O. and the executive council of the A. F. of L. have failed, and the future relationship between these two groups remained the most perplexing problem to be discussed at the Tampa convention. But before coming to the details of this conflict, we must first attempt to understand certain essential facts in connection with the organization of the A. F. of L.

The fundamental conflict in the American Federation of Labor deals with the type of labor organization which should dominate the labor movement in this country. Roughly speaking, workers may be organized in either one of two types of union. The first is called the craft or horizontal union and is composed of workers who perform the same type of work, regardless of the industry in which they work. Thus there is a machinists' union, the members of which are recruited from any number of different industries. Because it cuts straight across different in-

(Continued on page 8)



A HOUSE DIVIDED

—Costello in Albany Evening News

Toward Higher Ground

Much has been said and written about the standards of living which prevail among the American people. We are rightfully proud of the material progress which has been made, and it is fitting, especially at this Thanksgiving season, that we should be mindful of the comforts which, year after year, Americans enjoy in a measure unknown to other peoples. It is fitting that we should think of these things in a spirit of humility, conscious of the tardiness of our progress and of the long distance by which we are still removed from the goal of comfort for all. But, on the whole, we probably place an over-emphasis upon material standards, basic as they are to all others. At any rate, we give too little thought to intellectual and cultural standards. And when we think of the progress which has been made intellectually, socially, culturally, there is, perhaps, even greater cause for pride and thanksgiving than when we contemplate our economic gains, though here, too, there is reason for humility and for a determination to go even further toward the realization of our goals.

Something of profound significance has happened to the American people during the last generation. One cannot go about from one section of the nation to another, mingling with people of the different economic classes, without becoming aware that most of them are better off than we were a few years ago. Their conversation is on a higher plane. There are fewer evidences of provincialism. It is harder than it once was to distinguish a person of the poorer classes from one who comes from a well-to-do quarter. It is harder to tell one who dwells in an outlying district from one who lives in a center of population. People talk and dress more nearly alike. They sing the same songs, tell the same jokes, quote the same speeches. For all this, the radio and the movies are chiefly responsible. They acquaint people of distant sections with one another. They bring to all; to those who live in the aristocratic quarters, in the slums, in the rural districts, in the remote villages, the same music, the same pictures, the same banter, the same public addresses. The result is greater uniformity, more regimentation, the effect of which is partly good and partly regrettable. But on the whole, standards of music, art, humor, conversation, dress, have been so materially raised as to suggest that something like an educational revolution has swept the nation. The increasing attendance in high schools and colleges has lent momentum to this onward sweep.

Now if we could somehow get the American millions to read books, the upward swing would be tremendously accelerated. They are already selecting more wisely than they formerly did, but we haven't even started to gain from books, containing as they do the best that the best minds can give us, the cultural, intellectual, and social benefits which lie in store for us whenever we become a nation of readers. A nation which goes to high school, attends the movies, and listens to the radio is moving to higher ground, but the ambitious, selective reader of books will stand on a mountain top.

Communist Plan of Government Studied

Abolition of Private Property
Shows Sharp Contrast to Prac-
tices of Capitalist Nations

RUSSIAN EXAMPLE IS TAKEN

Dictatorship and Loss of Civil Lib-
erties Are Among Other Fea-
tures of System

*This is the last of three articles on democ-
racy, fascism, and communism.*

Last week we described the fascist system of government. We explained that this type of dictatorship has for its main purpose the saving of capitalism. It makes every effort to preserve the profit system. It is a movement of the middle and upper classes to suppress radicalism among the workers.

Now, we shall turn our attention to another kind of dictatorship, one which claims to exist only for the benefit of the workingman. This is the communist dictatorship, which, so far, has gained control in only one country, Russia. The communists have entirely different ideas from the fascists. Their first course of action when coming into power is to overthrow capitalism and set up a new kind of economic system. That is exactly what the communists did in Russia 19 years ago. It was in November 1917, that the Soviet revolution occurred and the government of Russia fell into the hands of the communists. At that time very few people expected the new government to last long. But communism in Russia is still in the saddle, and today it seems stronger than ever.

What Is Communism?

In describing communism, we may say that it is a system of government and industry under which all the instruments of production—the factories, the stores, the banks, the land, and the transportation system—are owned and operated by the state. The people, under communism, own only those things which they personally use, such as clothing, small personal effects, and they may own their own houses. Everyone works for the government and receives his wages from the state. No individual can make profits because he does not own anything from which he can derive gain. His only source of income is wages from the government. If he is able to work and does not do so, he receives no pay.

Under true communism, therefore, there is only one class of people—the workers. The owning classes are dispossessed of their property, and if they put up opposition they are either driven out of the country, put into prison camps, or put to death. The communists claim that they are obliged to take such drastic action in destroying the owning classes in order to prevent these classes from constantly resisting the new government and trying to overthrow it.

The reason that private individuals should not be allowed to own the stores and factories and farms, according to the communists, is that these individuals will not produce any more of a given product than they can sell at a profit. If the mass of people do not have enough purchasing power to buy as much as these private owners produce, the owners simply will not produce so much. That is why, say the communists, the farms and factories in

capitalist countries do not begin to produce as much as they could. It is not profitable for them to do so. Most of the time they cannot even sell as much as they do produce. This is because they do not pay high enough wages to provide the mass of people with adequate purchasing power. They do not want to cut down on their profits.

Under communism, it is argued, the government solves this problem. Since it owns nearly all the farms and factories, it can keep them geared up to capacity. It need not hold back on account of profits. It produces as much as it possibly can. Then it pays the people high enough wages to enable them to buy all that is being turned out. In this way, farms and factories are not kept idle while people go hungry and improperly clothed. So goes the argument of the communists.

Conditions in Russia

Now it is a fact that Russia has made great industrial progress under communism. There has been no depression, of the capitalist variety, in that country. Unemployment is never a problem. Everyone who can and will work does not have a hard time finding a job. Furthermore, farm, mine, and factory production in Russia has increased by leaps and bounds. The country is now second to the United States in iron production, equal to England in the production of electricity, and leads the world in farm-machinery output. During the depression years, when industrial production sank to low levels in most countries, it greatly increased in Russia.

This does not mean, though, that the living standards in that country are high. Compared with the standards of employed Americans, they are extremely low. Compared with the standards of Russia before the revolution, they are generally considered a little higher. But families are still crowded into unsanitary and inadequate living quarters. Only the roughest kinds of clothing are available in quantities. Palatable food is often hard to get.

But why is it that industrial production has increased so greatly and yet the Russian standard of living has not been raised any more than it has? Because so much attention has been centered on making Russia an industrial nation. A great deal of the country's food has been shipped to other lands in order to get money to build factories and buy machinery. Moreover, a large percentage of Russian workers have done nothing but build factories and make equipment and machinery. They have not been turning out goods which could be immediately used to make people more comfortable. The idea has been to industrialize Russia, to make her able to produce more of the things the people needed. This country, it must be remembered, was an agricultural nation before the revolution, and the standards of living of the masses were miserably low. The communists knew that if the people were ever to build houses, and make clothing, and supply other of their needs and desires in great quantities, there had to be a tremendous increase in tools and equipment and factories. So much attention has been given to this problem. As time goes on, more emphasis is being placed on the provision of food and clothing and shelter, so that the people may begin to enjoy more of the comforts of life.

Dictatorship

Although the Communist party is actually in control of affairs in Russia, the country tries to give some appearance of having representative government. The



© Acme

RUSSIA, UNDER THE SOVIETS, HAS MADE AGRICULTURAL AND INDUSTRIAL PROGRESS—

voters in the separate communities send representatives to districts, with the districts then sending representatives to a national legislative body, which is known as the All-Union Congress of Soviets. It meets once every two years and is composed of more than 1,500 members.

But in fact, this Congress does not govern the country. Nor does the rank and file of the Communist party. Actual control is in the hands of a few men, a political bureau of 10, chosen indirectly by the Communist party. Once they are chosen, they are so firmly entrenched that they operate as a dictatorship. At the head of this party is Josef Stalin, who holds Russia in an iron grip. He dominates the nation to as great an extent as Hitler does Germany and Mussolini does Italy.

Critics of communism say that it is regimentation and tyranny of the worst sort. They point to the fact that the Russian

it is contended, the plan of having the government own everything and dominate the lives of all the people of a nation, is bound to stifle individual initiative, and in the long run to be far more harmful than otherwise. No advantages which the communists claim can be compared to the advantage of having a free, self-reliant people such as live in the large democratic countries. Moreover, it is said, the Russians have yet to prove that their system is really superior to others.

The Russian standard of living does not yet compare with those of the more advanced capitalistic countries. It is argued that the United States has successfully weathered one of the most severe depressions in the history of any nation and that it is now preparing to move forward to new and higher levels. All this has been done without the loss of freedom and without the sacrifice of individual initiative.



—BUT THE PRICE IS RIGID DICTATORSHIP

(From a drawing in "Dictatorship," courtesy Foreign Policy Association.)

people have no political liberty whatever; no freedom. They cannot, without danger of losing their lives, express any dislike they might have of the communist system.

The Soviet officials reply to this criticism by saying that the Russian people had very little political freedom under the czarist régime. Moreover, they say, political liberty is not as important as economic liberty. The thing that is really vital to people, they continue, is a decent standard of living, such as the Russian people will soon have under communism. The Russian leaders claim that as time goes on, and communism becomes more firmly established, the people will have greater freedom. They say that an important step in this direction was taken a few months ago when voting privileges were greatly extended in Russia and the use of the secret ballot was put into operation.

Opponents of communism reply that once a dictatorship has been established, only force can overthrow it. Furthermore,

Another ground on which the communists have been widely attacked is that they have done everything possible to destroy religion. They associate all religion with the Russian church, which was completely dominated by the czar and which, according to the communists, used its influence to keep people satisfied with their miserable plight. Immediately after the revolution, the communists destroyed many churches and openly taught atheism. Atheism is still encouraged by communist leaders, but the people appear to be free to attend the churches that remain open.

Socialism

There is often confusion in the minds of people as to the difference between communism and socialism. The main difference is chiefly one of method in putting their programs into effect. They both favor public ownership of the means of production. But the socialists believe that they can achieve their ends through peaceful

and democratic channels. They think that the majority of people can be convinced of the need of replacing capitalism with public ownership. The communists, on the other hand, do not believe this is possible. They say that when it becomes apparent that the majority of people are about to vote in favor of socialism, the wealthy interests always put forth a fascist leader. Communists point to the experiences of various European countries in which socialists had gained power and were then driven out by fascists who were financed by organized wealth. So they believe that the only way to establish socialism is to crush all opposition at the outset.

While the socialists are obliged to admit that socialist movements have succumbed to fascist reaction in Austria, Germany, Italy, and, more recently it seems, in Spain, they still cling to their belief that socialism can be achieved peacefully and democratically. They remain convinced that in the end their theories will be generally accepted without having to be rammed down the throats of people by the rude arm of dictatorship.

Radicalism in U. S.

Though socialism and communism have been advocated by small groups in America for about a century, and while each form has had a number of able advocates, neither movement has gained headway. The vast majority of Americans remain democratic and capitalistic. Socialists and communists are but a tiny handful. Communists cannot have a chance to accomplish anything in America, except under circumstances similar to those which we described last week as the possible opportunity of the fascists. The extent to which radicalism has failed to gain a hold in this country is shown by the fact that during our greatest depression radical movements made substantially no headway. In the election of 1932, the Socialist candidate was not able to poll as many votes as Eugene Debs was able to muster in 1920, and in the election of 1936, the same candidate fell far short of his 1932 mark. Similarly, the communists did not poll enough votes in New York state, their strongest territory, to maintain their legal status as a party entitled to a place on the ballot.

If there should be economic breakdown in this country, if it should come about that millions of Americans were hungry and without hope for the future, then they might turn to advocates of other systems. Those Americans who wish to avoid change in the direction either of fascism or communism can best realize their ends by maintaining stability and prosperity, and by seeing to it that the masses of the people realize in increasing measure their desire for well-being and security and opportunity.

The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December and the last two weeks in August) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

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AROUND THE WORLD

Spain: The Spanish civil war, now concentrated near and in Madrid, continues to be fought with unabated vigor. Notwithstanding earlier reports that the capital would be taken easily, the loyalists have shown remarkable resistance, succeeding in many instances in repulsing air attacks by rebel bombers. Casualties in the last week have been extremely heavy. Determined to make a swift end of the war, General Francisco Franco's planes have several times let bombs fall in heavily populated sections of the capital, in what was generally looked upon as reckless disregard for the safety of the civilian population.

Reports now coming from the strife-torn land are generally so unreliable that it is difficult to say how long the siege of Madrid will continue. From Valencia, the new seat of the loyalist régime, come announcements that the government is far from its last tether and that it is capable of giving the fascist troops considerable anxiety. That



HE CAN'T KEEP OUT OF THE HOCK SHOP
—Kirby in N. Y. World-Telegram

there is, perhaps, some truth to this report was shown in a dispatch from Germany revealing that the German government was frankly worried over the resistance which the fascists have met and that if their cause becomes worse, Germany might consider sending open aid to them.

Italy: Two important decisions have been made by Mussolini in his program to bring all Italian activity under state control. The first does away with all courts and substitutes for them special boards to treat with disputes. Cases involving monetary claims, that is, civil suits, will be handled by committee guilds chosen from industry and labor, while criminal cases will be dealt with by a committee appointed by the minister of the interior (Premier Mussolini is himself minister of the interior). The profession of lawyer, as such, will be abolished. Lawyers will become state functionaries, paid by the state to ascertain the facts of a case and to present them to the committees. They will thus, apparently, at one and the same time, be both prosecutors and defense attorneys.

The other decision is to do away with the chamber of deputies. Although it has not had occasion to do anything but approve what Mussolini has willed, it is to be replaced by a corporative chamber, consisting of representatives of industry and labor. This is a plan which Mussolini has had in mind for some years, but had not realized until now.

A third measure, proposed not by the dictator himself but by the Supreme Fascist Council, proposes to have Mussolini's status as Duce legalized by inclusion in the Italian constitution. According to the plan, he would be appointed for life.

Central Europe: The conversations held in Vienna, during the past fortnight, between the foreign ministers of Italy,

Austria, and Hungary have let loose a barrage of rumors, some of which were reasonable, others which seemed more than slightly fantastic. The statesmen had apparently gathered to reaffirm mutual interests first pledged at a conference two years ago. What was precisely accomplished is negligible. Italy and Austria approved Hungary's decision to rearm in violation of postwar treaties. The three ministers explored possible trade interests and agreed, at all future banquets, to recognize the conquest of Ethiopia by toasting King Victor Emmanuel of Italy as emperor.

But the conviction is widely entertained that agreements of much more consequence were not revealed for publication. The only difficulty in arriving at a possible appraisal of these agreements is that several of them are obviously contradictory. Thus, it was rumored that Otto, young pretender to the Austrian throne, was to be married to the daughter of Italy's king, following which he would be restored to the throne. Such a move would invite the displeasure of Hitler who has not given up the ambition to control Austria, his birthplace. In view of the recent agreements between Hitler and Mussolini, this rumor does not fit the picture. Likewise, it was suggested that Italy had agreed to aid Hungary in the latter's attempt to regain territory lost after the war. While it is true that Mussolini, in his now famous Milan speech, recognized the justice of Hungary's claim, he could take positive measures only at the risk of alienating the powers of the Little Entente—Rumania, Yugoslavia, Czechoslovakia—whose territory would necessarily be sliced to satisfy Hungarian claims.

* * *

India: Striking with one fell blow at the heart of a system that subjects 50,000,000 Hindus in India to social and economic degradation, the youthful Maharajah of Travancore has decreed that no subject of his province should be prohibited by birth, caste, or community from worshipping at a state temple. Though the edict affects a limited number of the depressed classes and only one phase of India's ancient caste system, its importance can scarcely be exaggerated. And that for various reasons.

Efforts to abolish the caste system have been made for hundreds of years, and have gained considerable force in the last decade. It was only four years ago that Mahatma Gandhi retired from the active struggle for Indian independence to devote himself to the depressed classes, whose plight he re-

garded as of more immediate concern. The Indian Nationalist Congress, as early as 1920, adopted as part of its platform the proposal to abolish the caste system. And in recent months, there has been taking place one of the strangest movements in history, one that we in America have scarcely noticed. Religious leaders of various sects—Christians, Moslems, and Sikhs—have conducted meetings urging the "untouchable" Hindus to accept their faith and thus be accorded equal rights with others in their community. But despite this obvious trend to discard an outworn and admittedly shameful tradition, they wanted some official act to give sanction to this protest. Now that the ruler of Travancore has taken an official step to remove untouchability from his own subjects, it may be expected that neighboring provinces will follow.

But even more important is the fact that the break with the caste system occurred at its most strongly entrenched point. It is the Hindu priests, who, as guardians of orthodoxy, have been at the front of all opposition to emancipating India's disinherited. The fact that their resistance has been broken down augurs well for the future.

Doubtless, the task to be accomplished is still formidable. The caste tradition, in existence for thousands of years, cannot easily be uprooted. It harks back to early Indian history when Aryan peoples conquered the native inhabitants and forced upon them the menial tasks which they themselves despised. And through the ages, the distinction between victor and vanquished has gone through a myriad of changes, resulting in endless confusion. In some sections of India, particularly the Malabar district, the caste distinctions are so sharply drawn that a low-class Hindu is not permitted on certain streets and is forbidden to draw water from the public wells.

* * *

New Guinea: In the eastern half of New Guinea, alternately scorched by a tropical sun and drenched by heavy rains, is a vast swampland through which run num-



"IN THE EVENING OF HIS LIFE"
Mahatma Gandhi has voluntarily retired from active political leadership to give himself to the cause of India's disinherited, the Untouchables. (From a painting by Boris Georgiev, reproduced in Asia Magazine. Courtesy Gertrude Emerson Sem.)

berless rivers and creeks. The region is so difficult of access that few white men have penetrated there. As a result, the native Papuan tribes have scarcely been touched by modern influences. As their ancestors did, perhaps 10,000 years ago, they live a closely guarded communal life. Their villages consist chiefly of a single longhouse, several hundred feet in length, that wobbles on piles stuck into the mud. This house has the appearance, to a stranger, of a dark tunnel with a long corridor, at either side of which are separate compartments looking like wretched prison cells. Each of these cells is occupied by a single family, and here its treasures are kept.

An odd variety of objects may be seen hanging from the walls; crude cooking utensils, strips of dried fish and smoke-dried betel nuts, spears and fishtraps, and long pieces of wood, carved in low relief. The natives themselves appear not to know the purpose of these carved sticks, but they treasure them highly. Some scholars believe that they are primitive coats of arms. The Papuans are adept at hewing canoes with which they skirt through the shallows in search of food. And they are also an extremely practical people. When rain does not permit them to go out of their houses and they wish to start a fire, the floor of their compartments is torn up and used as fuel.

* * *

Inflamed passions, followed by an insult to Premier Léon Blum, resulted in serious fights between factions in the French Chamber of Deputies.

* * *

Germany has now denounced the final provision of the Treaty of Versailles limiting her freedom of action. She has informed interested powers that she would no longer tolerate international control of her rivers. This latest action was ill received in foreign countries, especially in France which had but recently concluded an agreement which revised the Versailles provisions according to Germany's own desires.

* * *

The League of Nations secretariat has revealed that according to its figures there are now 7,600,000 men under arms in the world, close to 2,000,000 more than there were in 1913. This sum does not include the semi-military organizations which have sprung up in Germany, Italy, and Russia during the peace era.



EGYPT JUBILANT

Premier Nahas Pasha addressing his countrymen after his return from London where he successfully negotiated a new treaty of alliance giving Egypt a further measure of independence.

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SEASON'S GREETINGS

—Pictorial Features Photo

With the coming of Thanksgiving the turkey assumes its rightful position of prominence in the family market basket. It is reported that they will be exceptionally plentiful this year.

The President

Last week, President Roosevelt worked to clear up as many pressing matters of business as possible before leaving on the cruise which is to take him as far as Buenos Aires for the Pan American conference. Whether he has formulated the program which he will present to Congress in January is not certain, although he has undoubtedly gone over many of the items which he will propose.

The President's principal attention, since the election, has been centered on the budget. He has been in conference with the acting director of the budget, Daniel W. Bell. His estimates of how much it will cost to run the federal government will be presented to Congress on January 6. Whether Mr. Roosevelt will recommend slashes in expenditures in order to bring the budget more closely into balance than it has been at any time since he took office is not clear. The only hint he gave on the subject was that relief expenditures may not be included in the regular budget, being held over, as they were last year, for later in the session.

In addition to the budget, the President has been giving no little attention to the stock market. He has held conferences with James M. Landis, chairman of the Securities and

ican investments are safer than investments in their own countries, due to the unsettled political conditions abroad. Should a large part of these funds be suddenly withdrawn from the American market, a crash might result. The President indicated that new legislation might be necessary to control these foreign investments.

Titular Head

A presidential candidate of either party, whether elected or defeated at the polls, remains titular head of the party until another man is chosen to take his place. In such a position, it is his responsibility to shape the strategy of the party between campaigns. It was as titular head of the Republican party that Alf M. Landon went to Kansas City a little more than a week after the election to confer with his old friend and chairman of the Republican National Committee, John D. M. Hamilton. The purpose of this conference, accompanied by none of the fanfare and shouting that marked Mr. Landon's activities for weeks, was to map a course of action for the Republican party.

Mr. Landon believes that the Republican party should become an effective minority during the in-between-campaign period. "Under the American system of government," declared the statement issued after the meeting, "the country needs an intelligent, constructive, and militant minority." In order to work effectively, a permanent national headquarters will be kept open in Washington "to furnish the people of this country with a fair statement of facts."

In addition to becoming an effective minority party, one of the principal jobs of the Republicans will be to heal the wounds and reunite the party. It has been badly crushed in nation, state, and city, and it will be no easy task to recoup the losses. More serious yet, there is internal dissension within the party as it looks to the future. The liberal elements stand opposed to the conservative wing on fundamental problems. As Frank R. Kent, bitter foe of the New Deal and a strong supporter of Governor Landon during the campaign, recently remarked in his column in the *Baltimore Sun*:

There are troubles with the Republicans even more serious than their lack of jobs and representation. When the tide turns, if they have a clear-cut political philosophy, a sensible program, and real leadership, they probably can overcome the weakness of organization and beat even so intrenched a machine as the one Mr. Farley has constructed. But without men and without issues it can't be done. It can't be done by just being the opposition party. . . . Conditions will never get normal enough in this country again to put the normal type of Republicans in a majority.

Relief Declines

Next January, there will be 1,000,000 fewer families on relief than there were in January 1936, according to estimates made by Harry L. Hopkins, head of the Works Progress Administration. "We are definitely over the hump now, as to numbers and expense," he asserted. The principal cause of the improved

condition is the employment which is taking place in private industry. The decline since the peak of relief in January 1935 has been 28 per cent. At that time there were 5,316,000 persons on relief; whereas in October of this year, the number had been reduced to 3,498,012.

Despite the improvement, the relief burden is still costing the government \$160,000,000 a month. During the last few months, there has been a slight increase in the number of relief cases, due to the drought which has put many agricultural families on government relief. During the next few weeks, however, a nation-wide attempt will be made to pare relief cases down to a minimum. All the state administrations have been ordered to go over their relief rolls with a view to eliminating those persons who are not absolutely in need of government assistance. In many places notable reductions have been made.

Meanwhile, reports of improved conditions throughout the nation continue to pour in as wage increases, bonuses of one kind or an-

example, determine labor conditions, outlaw child labor, and otherwise regulate industrial practices. Charters would be given to corporations only on condition of adherence to these regulations, and corporations which refused to abide by the rules would have their charters revoked.

At present, all corporations are chartered by the states, however extensive their operations. Certain states are renowned for their lax laws of incorporation. Delaware, for example, is notorious for the laxity of its incorporation laws, and thousands of our giant corporations have gone to that state for their charters. Raymond Clapper, writing recently in the *Washington Daily News*, calls attention to the fact that "in one office building in Wilmington, Delaware, the names of some 10,000 corporations will be found on the wall directory in the lobby. The directory list spreads all around the lobby. All of these 10,000 corporations have their 'home offices' on the tenth floor of that building—Standard Oil of New Jersey, Radio Corporation of America, the United Corporation, National Dairy Products, the Pullman Company. They have no 'home offices' there except in the technical legal sense."

Those who support the national incorporation law insist that it offers the only effective way to regulate industrial conditions, for the states, even if they were willing, could not cope with corporations of such gigantic size. Whether or not the President lends his support to the bill, it is certain to be debated in Congress during the next session, for strong support is now being given to it.

The Work Begins

Last week, a quarter of a million postmen carried to every business concern in the country an "Employer's Application for Identification Number," which the Social Security Board in Washington had mailed out as the initial step in its program of setting up accounts for all the workers of the nation. Employers will have to fill out these cards and return them to the Social Security Board, and the Board will then send out some 26,000,000 blanks for the employees.

All this work must be completed before January 1, because on that date the compulsory old-age insurance feature of the Social Security Act goes into effect. A tax, shared equally by the employer and the employee, will then go into effect and the preliminary registration of employers and employees must be completed before that time. The information required on these cards covers only a few items, such as the name of the employee, the name of his



THE TWO-PARTY SYSTEM

—Selbie in Richmond Times-Dispatch

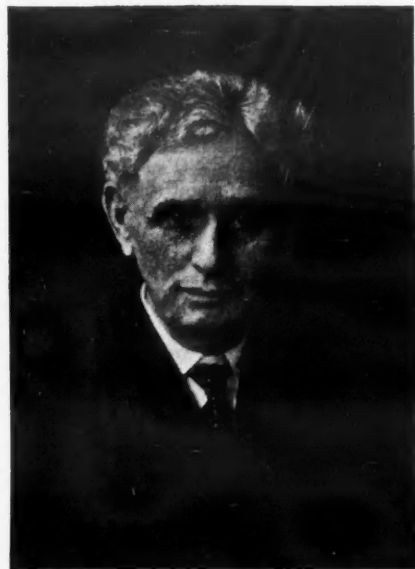
other, and dividends are announced by various companies. The National Industrial Conference Board estimates that in September of this year, the total number of unemployed had dropped to 8,975,000, a decline of nearly 7,000,000 since March 1933, when unemployment reached the estimated peak of 15,939,000. Eighty-three per cent of the reemployment has taken place in nonagricultural industries, according to the estimate.

Licensing Corporations

Since the election, there has been considerable speculation about the future relationship of the government to private industry. There have been rumors that President Roosevelt would seek to revive the sort of regulation attempted by the NRA, but that the new legislation would be so written as to come within the provisions of the Constitution. The President himself has given no clear indication of what his position will be, except to declare that the government would continue its efforts to improve the conditions of the workers and to prevent abuses.

It is thought likely that whatever regulation of the great industries there is to be will be sought through a national incorporation bill, which is now receiving considerable attention in Washington and throughout the nation. This proposal is not particularly new, having been under discussion at various times during the last 25 years; it was first proposed by President Taft. A bill giving effect to the general purposes has been before Congress many times but no action has yet been taken.

A national incorporation bill would require all corporations doing business in more than one state to receive a charter from the federal government. The national government would thus have the right to prescribe the conditions under which corporations, engaged in interstate commerce, might operate. It could, for



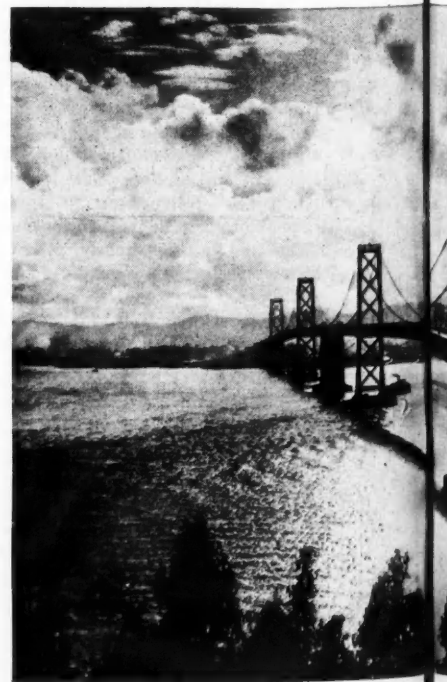
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EIGHTY YEARS

Justice Louis D. Brandeis of the United States Supreme Court who recently celebrated his 80th birthday.

Exchange Commission, and with Marriner S. Eccles, governor of the Federal Reserve Board, on the rapid increases in stock prices that have taken place. In many quarters, there has been fear that there might be a run-away market, with prices skyrocketing much as they did in 1929.

The President revealed that the primary cause of the recent spectacular rise in stock prices has been the huge sums of money—estimated at some seven billion dollars—which foreigners have invested in American securities. These foreigners have felt that Amer-



THE NEWLY COMPLETED SAN FRANCISCO-OAKLAND BRIDGE

United States

Doing, Saying, and Thinking

employer, the date and place of his birth, and the name of his father and mother—information essential to proper identification.

Meanwhile, John G. Winant, who resigned as chairman of the Social Security Board, to defend the law against Republican attacks during the campaign, has consented to resume his position on the board, at least until January.

Farm Tenancy

A long-range program to reduce farm tenancy in the United States, covering a period of probably 10 years, is ready for presentation to Congress by Rexford G. Tugwell, head of the Resettlement Administration and undersecretary of agriculture. The principal feature of the program would be the expenditure of about \$50,000,000 a year by the federal government to finance tenants who wish to acquire land of their own. The loans would be repaid over a period of 40 years, at low rates of interest.

A program of this kind would be designed to accomplish a two-fold purpose. First, it would reduce farm tenancy in the United States, which has been growing at an alarming rate during the last few years. Approximately 10 per cent of all the farms in the country are at present operated by tenants. Under the proposal of Mr. Tugwell, there would be a gradual transition to ownership. Such problems as share-cropping would thus be tackled. The second aim of the program would be soil conservation, for it is admitted that tenancy is one of the main causes of soil impoverishment of the soil. Tenants are not likely to give proper attention to the soil, especially when they move from farm to farm at fairly frequent intervals. They would be much more likely to take care of the soil if they owned the land.

It seems fairly certain that some form of legislation to cope with the problem of farm tenancy—whether the Tugwell formula or some other—will come before Congress during the next session. There is little controversy over the desirability of some program; whatever issues arise will develop over the proper method of dealing with the problem.

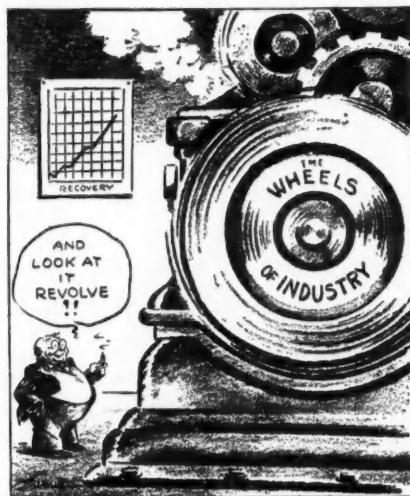
Safety Broadcasts

More than 250 radio broadcasting stations in the United States have scheduled a series of three broadcasts devoted to "building safety into the American highway system," the American Road Builders Association recently announced. Some of the stations already have started the series. The broadcasting will be

completed before the meeting of the Association in New Orleans on January 11. Highway safety is to be the principal theme of that meeting, and the large amount of new information on how road dangers can be reduced will be discussed by those who attend. Because of the importance of better roads in furthering the efforts to reduce the number of automobile accidents, highway superintendents, safety engineers, heads of safety organizations, and others interested in driving safely will go to the New Orleans meeting from all over the country.

Across 'Frisco Bay

Exactly at 3:30 p.m. in Washington and 12:30 p.m. in San Francisco on November 12, President Roosevelt pressed a button which gave the "Go" signal for the opening of the tremendous new bridge across San Francisco Bay from Oakland to the City of the Golden Gate. An automobile carrying ex-President Hoover and Governor Merriam of California



THE REVOLUTION IS HERE
—Talburt in Washington News

was the first to cross the new bridge. Over 250,000 people turned out to see the opening. This San Francisco-Oakland bridge, stretching eight and a quarter miles over water and tideland, besides the three miles of approaches, is the longest bridge in the world across navigable waters. It is high enough to let the largest vessels pass underneath. The upper deck, with six lanes, will be for passenger automobiles; the lower will carry trucks and, when the tracks are laid in another year and a half, an interurban railway. The bridge will bring the important suburbs of Oakland, Berkeley, and Alameda three-quarters of an hour to an hour nearer San Francisco than they were when the only means of transportation across the Bay was by ferry. Tolls which will be collected are expected to pay for the upkeep of the bridge and, besides, to cover the original construction cost of \$77,000,000 in about 20 years.

Strike Still Peaceful

The shipping strike, which started on the Pacific Coast on October 29 and spread to the Atlantic and Gulf ports soon after, has remained almost completely free from violence so far, though a minor clash occurred at San Diego on November 12, when 1,500 strikers partially wrecked an "open shop" restaurant. The fact that the shipowners have not employed strikebreakers or interfered with the picketing of the docks by the union strikers is said to be the principal reason for this peacefulness, which contrasts so sharply with the serious troubles at the time of the Pacific Coast strike in 1934. The truces which were arranged, on the Pacific Coast and at Philadelphia, for handling perishable cargo have been kept. Negotiations have been continued, but so far no settlements have been reached. The principal disagreement, on the Pacific Coast, continues to be over whether the unions will



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"BORN THIRTY YEARS TOO SOON"
This present-day popular saying would have been applicable to the original owners of this early model. A parade of such vehicles was held on Pennsylvania Avenue in Washington recently in connection with the local automobile show.

have full control of supplying the workers on and with the ships, the argument specifically being over the question of control of the "hiring halls." On the Atlantic Coast, especially at New York, the International Seamen's Union continues to claim that the strike is unlawful. The strikers, however, are keeping their independent organization actively at work, although the I. S. U. officers and the shipowners say that the Atlantic Coast strike is collapsing. Secretary of Labor Perkins and Secretary of Commerce Roper are following developments closely, and the Federal Maritime Commission is active in the negotiations on all three coasts. So far, President Roosevelt has made no direct move to take a hand in ending the strike.

How Many Unemployed?

No one knows exactly how many unemployed there are in the United States, and the estimates of the number have varied widely. Government officials and economists have been insisting for some time, however, that authentic information is necessary if the problem of unemployment is to be dealt with successfully. Secretary of Commerce Roper, therefore, has had officials of the Department of Commerce at work making plans for an accurate census of the nation's jobless. His plan is to ask Congress to appropriate between \$15,000,000 and \$20,000,000 for this purpose. Later rechecks, to keep the figures up to date, will be a good deal less expensive. The census of unemployed is being planned to show not only the total number out of work, the amount of part-time work those now unemployed have had, and how long they have been without work, but also the distribution of unemployment between the different industries and the various parts of the country.

Two Nobel Prizes

Eugene O'Neill, leading American playwright, and David Carl Anderson, 31-year-old physicist of the California Institute of Technology, have just been granted Nobel prizes. Mr. O'Neill received the prize in literature, no special one of his numerous dramas being mentioned. Dr. Anderson was given the prize in physics for his discovery of the positron, but he shares the prize with Professor V. G. Hess of Innsbruck University, Vienna, who is honored for his research in cosmic radiation. These Nobel prizes had their origin in the will of the Swedish inventor of dynamite, Alfred Nobel. When he died in 1896, he left \$9,000,000, with instructions in his will that the income each year from this money was to be divided into five equal parts and given as prizes to the five men or women who had contributed most to the benefit of mankind in the previous year. The prizes were to be awarded in physics, chemistry, physiology and medicine, literature, and world peace. The fairness and impartiality of the trustees who give the awards has made the granting of a Nobel prize the world's most distinguished recognition for notable work done.

THOUGHTS AND SMILES

Don't look now, but isn't the chap slipping down the side street over there the same fellow who was betting how the election was going to turn out?
—Wichita Eagle

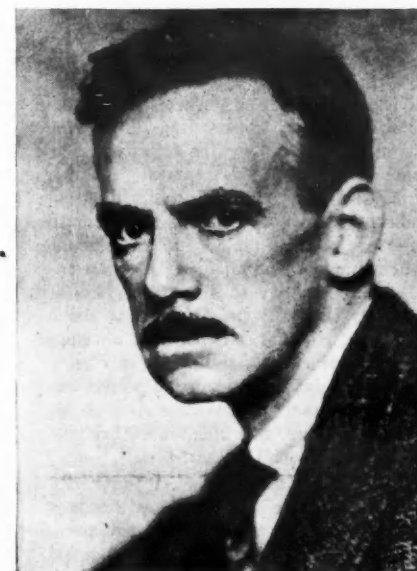
A fugitive from a Michigan prison was a janitor 17 years in Chicago before he was detected, which is not bad time at all for locating a janitor.
—Salt Lake Tribune

People want to believe they can live in a country where despite economic differences there can be peace, justice, and mutual respect, and a kindly adjustment of differences.
—Raymond Moley

The new model automobiles seem to offer many improvements over the ones that have gone before, but one thing is still lacking. A horn that will only blow when the car is in motion.
—Hutchinson News

Dora has decided not to see "The Charge of the Light Brigade," believing it is to be power company propaganda.
—Boston Transcript

The value of a man should be seen in what he gives and not in what he is able to receive.
—Albert Einstein



© Acme

PRIZE WINNER

Eugene O'Neill, leading American playwright, who has been awarded the Nobel prize in literature.

In one of the recent magazines is an interesting article about a poetess who arises daily at dawn to get to work on her iambic pentameters. From bed to verse, as you might say.
—Hutchinson News

A survey shows that nearly forty per cent of the people take in the movies. This makes it even, since about forty per cent of the movies take in the people.
—LIFE

People in the Tennessee Valley now have more electricity than they know what to do with. Our wife solved that problem years ago—she lets the toast burn.
—JUDGE



© Wide World

SAN FRANCISCO-OAKLAND BAY BRIDGE

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The Centralization of Government Power

CRISES, economic or political, have frequently had unpredictable consequences in the history of the United States and in many instances have determined the course of our national development. The Confederation was born from the need of a cohesive government among the 13 colonies. In the economic and social disintegration which followed the American Revolution, the need for a stronger national government was felt by large sections of the population, and the Constitution was drafted to meet the new needs. Again, following the War of 1812, several weaknesses were again apparent and further adjustments were made following the restoration of peace. In our own time, we have noted sweeping changes in our governmental practices as a result of the economic paralysis which resulted from the

crisis of 1929. But before coming to our present problems, let us turn for a moment to the period we are now studying, the years immediately following the War of 1812.



DAVID S. MUZZEY

It is significant that the early years of James Monroe's administration have been referred to as the "era of good feeling." And truly, those years were precisely that. The bitter partisanship which had been so characteristic of the early days of the republic was largely forgotten and a spirit of national unity developed in all sections of the country. There was a consciousness of nationality as a result of the struggle, and citizens began to look upon themselves as truly Americans. This was perhaps the principal political result of the second war with England, and it was largely this rising spirit of nationalism which gave rise to the unity of Monroe's administration.

Early Republican Program

It is significant, moreover, that during the war, the Republican party, the party of Jefferson and of states' rights, had taken over many of the economic principles of the Federalists. It was the Republicans who insisted upon a broad interpretation of the Constitution, giving the federal government greater authority. The disorganization of government finances during the war, which nearly resulted in bankruptcy, gave rise, under Madison, to the organization of the Second Bank of the United States. The tariff of 1816 was entirely in keeping with the philosophy of Alexander Hamilton and did much to shape the future of American economic development. President Madison, in the closing days of his administration, advocated a system of internal improvements, such as roads and canals, as a method of bringing the country closer together.

All in all, the forward-looking statesmen of the day began to look inward rather than outward. Future progress and prosperity they saw in developing the natural resources of the nation. As K. C. Babcock remarks in his "Rise of American Nationality": "All but unconsciously the nation at the close of the war heard and obeyed the call to face about. Hitherto it had looked towards the sea; for years it had scanned the horizon anxiously, lest the coming ship should be unfriendly or the bearer of ill tidings for merchant or statesman. Now its face was set towards the west and the frontier, of which the illimitable possibilities were beginning to dawn upon the national consciousness, as they had been borne in upon Washington and Jefferson in the days of the fathers. The breezy exuberance and the high optimism of the first products of this western life had been felt with vague and uncertain forebodings by the leaders of the old

school, when the 'war hawks' took it upon themselves in 1811 and 1812 to settle for the nation the long-threshed question of peace and war. Now that the war was over, the same energy and optimism were to be devoted freely for a generation to the new problems. Surely in land areas and in politics there was to be a new earth if not a new heaven."

For a while, the conflicts between the sections were held in abeyance by governmental policy. The North, largely industrial, was pleased with the tariff policy and the establishment of the bank, which gave it a sound and dependable currency. The West favored a program of internal improvements since it would thus be able to transport its agricultural products to the markets of the East and South. For a while, the South hoped to derive certain benefits from the tariff as a more prosperous North would be in a position to buy more of its cotton and tobacco. No section of the country, however, was entirely pleased with all features of the new governmental policy, for obviously the clash of economic interest between the sections was so great as to preclude an entirely satisfactory program. But the development of sectional rivalry, which finally resulted in the Civil War, is another story. We are concerned here only with the national unity which followed the War of 1812 and with the strengthening of the arm of the government in order to cope with the new economic problems.

Centralization Today

It is rather ironical that it should have been the Jeffersonian party that carried out this policy. It is no more ironical than the fact that in our own day it should have been the successor of the early Republican party, our present Democratic party, that concentrated control in the hands of the national government to a degree heretofore unheard of. The fact is that in both cases, there was something of a national economic crisis confronting the nation, and action on a national scale was essential to handle the problems that had been created.

Just as there had been financial chaos, due to the entirely inadequate banking system that existed during the War of 1812, so in our own day, the hands-off policy of the government compelled the government to assume greater power. A national bank was established following the War of 1812. In Mr. Hoover's administration, the national government took upon itself the responsibility of underpinning the credit structure of the nation in order to prevent complete collapse. As the crisis grew more acute after 1929, the Reconstruction Finance Corporation, frequently referred to as the greatest bank in the history of the world, was established to restore a certain degree of order. And under Mr. Roosevelt's administration, the arm of the federal government has stretched further and further until its control has been greater than at any peacetime period during our entire history.

The wisdom of the policies inaugurated by the federal government in the period immediately following the War of 1812 may be questioned, just the same as those established to cope with the economic crisis of the last seven years. The significant fact is that in both cases, changed conditions led to changed governmental concepts. It may be that in our own day we will see a reversal of the trend, just as there was following the days of James Monroe. Of one thing we may be fairly certain. The general course of action pursued by the federal government during the next few years will have just as vital a bearing upon the future development, economic and social, of the nation as did the policies inaugurated by the government in the period following the War of 1812. For that reason both periods may be regarded as crucial in our national evolution.



FROM THE JACKET ILLUSTRATION FOR "BIOGRAPHY OF A FAMILY."

Among the New Books

America Defended

"Mainland," by Gilbert Seldes (New York: Scribners. \$3).

MR. SELDES' book is a burning declaration of faith in America and her institutions. The mere fact that by following the trial-and-error method the United States has progressed to a high level of achievement offers great hope for the future. "I defend only the system of trial and error by which change occurs," he declares. It is because fascism and communism destroy these dynamic elements of progress that he is bitterly opposed to such systems.

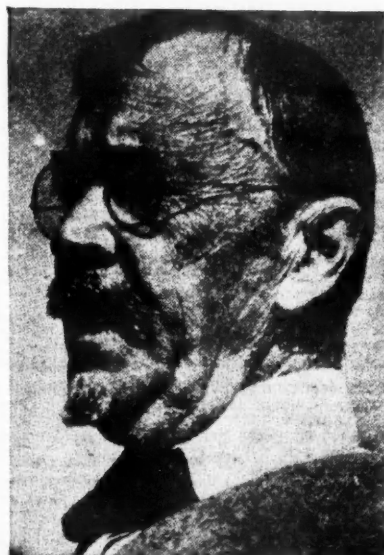
Although fired with much emotionalism, Mr. Seldes is in no way narrowly nationalistic. He is deeply patriotic and blasts forth vehemently against the snobbish critics of American culture and civilization who have found nothing good in this country, but who have looked outward, aping the more "cultured" Europeans. "I feel that these critics treat America as a dead or finished nation because they aren't aware of how America came to be alive and what vital impulses run through our history," he charges.

Because Mr. Seldes is anxious to see the realization of the American dream; because he interprets so intelligently our civilization; because, in a word, he writes with so much wisdom, "Mainland" is a book which should have a deep appeal for all Americans who are intellectually curious and alive.

Lincoln Steffens

"Lincoln Steffens Speaking," (New York: Harcourt, Brace, and Company. \$2.50).

SOME well-meaning souls, who shield themselves from the grosser facts of our civilization by musing tenderly upon their own righteousness, will doubtless be shocked to find that Lincoln Steffens addresses this, his last volume, not only to perplexed students, statesmen, and artists,



LINCOLN STEFFENS

but also to "crooks." Having recovered sufficiently from the shock to read the volume, they will learn that the author's inclusion of "crooks" among the others is perhaps the surest gauge of the man, as it is the key to all that he has written.

For Lincoln Steffens, as anyone who has read his famous "Autobiography" can testify, was not a man to deceive himself. Some thinkers achieve saintliness by seeing only the good in this world; Steffens has done so by perceiving the evil. By peeling man's thought, layer by layer, as if it were an onion, he has gotten to the core of things and found that our world can be a happy place to live in. What we need, he says again and again, is to challenge axioms, such axioms as that "crooks" are innately evil or that they will always be with us. Reform our civilization from its foundations, strip it of all pretense, be courageous enough to despise lies, and criminals will disappear. Even statesmen, perhaps, for there will then be no need for them. It is these reflections that give unity to this otherwise loose collection of essays, book reviews, jottings, and notebook scraps.

de Medici

"Biography of a Family—Catherine de Medici and Her Children," by Milton Waldman. With illustrations (Boston: Houghton Mifflin Company. \$3).

IT WOULD almost seem that history, in a creative mood, had sought to imitate fiction when it gave us the life of Catherine de Medici. Here was quite an ordinary young girl, daughter of a merchant, soberly brought up in a convent, who step by step acquired such power that she utterly dominated the politics of Europe in the early part of the sixteenth century. She was not especially beautiful; portraits of her reveal no features that would distinguish her from a matronly laundress. The only thing she seemed to possess in boundless measure was a love for her children. Yet it was a sentiment that her age could well have spared. It involved France in bloody civil war. It cost the lives of thousands. It gave Catherine inhuman subtlety. For love of her children, she outwitted her rivals and stooped to nothing to gain her ends. Her most ready weapon was a silk lace handkerchief, threatening to dry a tear. It is a fascinating story; it has been told numberless times; but in Mr. Waldman's witty and incisive version, its interest is renewed again.

Progress of Chemistry

"The March of Chemistry," by A. Frederick Collins. Illustrated (Philadelphia: J. B. Lippincott Company. \$3).

CHEMICAL research has been advancing at so rapid a pace that the textbooks of a decade ago are decidedly outmoded. Mr. Collins has here written a thoroughly readable text that describes the newest developments in chemistry. He tells not only of the discoveries, but also of their history and their practical application to industry and to scientific advance.



The significance of Thanksgiving Day in 1936. What are our main national blessings this year? The importance of taking inventory of accomplishments and of emphasizing the true values of life.

THESE three imaginary students will meet each week on this page to talk things over. The same characters will continue from week to week. We believe that readers of THE AMERICAN OBSERVER will find it interesting to follow these discussions week by week and thus to become acquainted with the three characters. Needless to say, the views expressed on this page are not to be taken as the opinions of the editors of THE AMERICAN OBSERVER.

Mary: This is Thanksgiving week. Next Thursday we will be celebrating the annual day of thanksgiving. Suppose we spend our time this week talking of the things we in America have to be thankful for.

Charles: Most people act as if they were most thankful for football and turkeys. I doubt if very many spend much time counting their blessings or giving thanks for the things they enjoy.

Mary: That's all the more reason why we should give a little time to a consideration of what our national blessings really are. It's all right to spend the day feasting, visiting, or watching football games, but I think part of the time should be spent in the original spirit of thanksgiving and quiet thoughtfulness which were supposed to characterize the day. John, for what do you think Americans should be especially thankful?

John: We all have reason to be thankful for returning prosperity. Not since 1928 have conditions at Thanksgiving time been so promising. By the last of November, 1929, we were on the way downhill. No one knew what the nation would have to go through during the next few years, but the stock market had crashed, and everyone was uneasy. By the fall of 1930 things were getting pretty bad, and in 1931 and 1932 they were desperate. Everyone was anxious not only about the present, but about the future. No one could be sure that the depression was like the others had been and that the country would survive it. There was a possibility that something very near chaos would come. By the fall of 1933 there had been a short revival of business, followed by another break. No one felt sure of recovery, though all were hopeful. There was some improvement by 1934, and last year we seemed to be getting out of the depression, but the upturn was so recent that no one was resting easily.

Now, for the first time, it appears that we are definitely and certainly recovering and that prosperity is coming. All the corporations are reporting increased profits. Production figures are mounting every month. Some of the big companies are raising wages. People have more purchasing power. Already the stores are so full of Christmas shoppers that one can scarcely get attention. Unemployment is at last decreasing.

Now that we are actually getting relief from the terrible depression, we should not take the better times for granted. We should be thankful for them.



WHAT'S WRONG WITH THIS PICTURE?
—Elderman in Washington Post

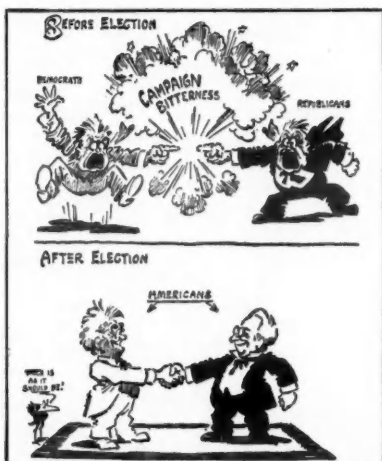
Mary: We mustn't be too complacent about the good times, of course. They haven't come to everyone. We still have millions of unemployed. We shouldn't forget that most of the American people are miserably housed, and that a large per cent of them haven't enough to eat. So long as such conditions prevail we can't say that the country is really prosperous.

John: I realize that. We should try to improve conditions and we should help those who aren't so well off as ourselves. It would be a good thing for those who can afford it to send Thanksgiving baskets to families who otherwise could not have Thanksgiving dinners.

Charles: And we shouldn't stop at that. We can't make conditions permanently better by private charity alone. We should try to find out what is wrong in the nation; what it is that keeps so many people from getting along. Then we should try to improve the economic situation so that all may have better opportunities. I suppose that that's one thing, though, that Thanksgiving is for; to get us to thinking. First we are thankful for what we enjoy, then we try to see what we could do to make things even better. We give thanks for what has come to the nation, then try to help ourselves by finding the road to something even better.

John: Meanwhile, let us not forget that things are better here than in most countries. We can be thankful for the relatively favorable situation in which we find ourselves. But what are you thinking about, Mary? Why do you think that we Americans should be thankful?

Mary: I don't need to hesitate a moment for my answer. We should be thankful for peace. We are the most fortunate



THE AMERICAN WAY OF LIFE
—Selber in Richmond Times-Dispatch

great nation of the world in that respect. In Germany, England, France, Belgium, Switzerland, and most of the European nations, whether large or small, the danger of war hangs over everyone like a cloud. Mothers look at their sons, sisters at their brothers, wives at their husbands, children at their fathers, and in every mind there is the question: "Will they be taken from us?" And there is real danger that they will. War may come within the next year. Of course it may be avoided, but few people think it will be held off for many years. So no family can look forward except with terrible fear and anxiety. Lurking fear and uneasiness gnaw at every heart. A shadow hangs over every home. We in America should think of that on this Thanksgiving Day, and give thanks that an ocean lies between us and any possible foe.

Charles: We can't be sure that we will stay out of war. We got into the last one.

Mary: But there's a strong probability that we won't. We won't be obliged to go in. We can stay out if we want to.

And the people of some of the European nations may have no choice. They may actually be attacked. But what are you thankful for, Charles?

Charles: Among other things, I'm thankful for our free, democratic government. We used to take it for granted and not think of it. But we can't do that any more. Many peoples have lost their freedom, and some of them have given up the practice of democracy altogether. Perhaps a good many Americans took it as a matter of course that those who were on the losing side in the election this month would take defeat good-naturedly and would accept the result as final. But that wouldn't happen in all countries. It really is wonderful the way the losers took it. They are nearly all saying that perhaps it's for the best; at least that they wish the President well in his second administration. There isn't a suggestion of violence or opposition anywhere. It is a fine thing to live in one of the few nations where the people can express themselves freely, where they can criticize their officials and government to



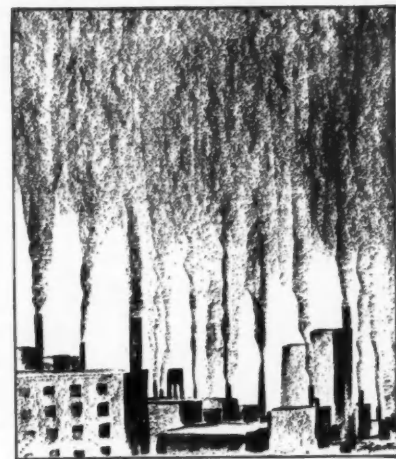
WE SUSPECTED IT HAD A SILVER LINING ALL THE TIME!
—Talbot in Washington News

their heart's content, where they can vote for their leaders in free elections, and where, when the elections are over, they settle down good-naturedly, forget politics and remain on good terms with their neighbors who belong to the other party. We should all be thankful for free, democratic government.

John: I agree with that. And we should not forget that in America to a greater extent than anywhere else, there is educational opportunity. We talked about that two weeks or so ago, but I would like to call attention to the American schools again and to urge that we remember the opportunities they bring us. Nearly all children in this country have a chance to go through the elementary school, and increasing numbers are going to high school and college. If young people can go to school and become fairly well educated, they can overcome other handicaps. A nation which gives its boys and girls a chance at an education may not be perfect, but it is on the way upward. So I say we should give thanks for the American schools.

MORE RAILWAY SERVICE

After eight months of argument between the railways and trucking organizations, two federal courts decided on November 14 that the railways might, if they chose, provide free pick-up of freight at the sender's door and free delivery at the door of the one to whom it is sent, in less than carload lots. The argument started last March, when nine major railroads asked the Interstate Commerce Commission for permission to give this free pick-up and delivery service on freight. The truck owners organizations immediately protested, saying that pick-up and delivery by the railways would seriously interfere with their business and cause them heavy losses on their large investments. The Interstate Commerce Commission, however, decided that the service could be given by the railways. The truckmen then asked the courts in New York and Washington for injunctions to prevent the carrying out of the Interstate Commerce Commission's decision. The



BRIGHT CLOUDS

—Fitzpatrick in St. Louis Post-Dispatch

courts decided in favor of the railways, and the service was started on November 16. The truck owners plan to take an appeal to the Supreme Court. The introduction of this new service by the railways is one of the many moves they are making to get more business.

A. F. OF L. AND C. I. O.

(Concluded from page 8)

time, harmful results would probably follow because of the fact that many industries of the country take their lead from this basic industry. In the main, organized labor favors governmental regulation of industry to the extent of preventing abuses and improving the economic conditions of workers.

Aside from its internal disruption, organized labor this year is more optimistic than it has been for a long time. It was almost unanimous in its support of President Roosevelt and feels that it won a substantial victory when he was reelected. It feels that it will receive a sympathetic ear for its demands for legislation designed to improve its position. Already the President has indicated that he will strive to further labor's interests during the next four years. He has promised to work for minimum wage laws and for higher wages for labor. He has expressed himself opposed to basing wage scales entirely on the fluctuating cost of living; a policy which certain industries have announced, declaring that wages will be reduced when the cost of living goes down and increased when it goes up. Such a policy the President favors only in determining minimum wage rates, not as a general policy for labor. In this respect, he follows the position of organized labor, for it, too, believes that the ultimate objective is a steadily increasing wage scale, not firmly anchored to the cost of living.

SOMETHING TO THINK ABOUT

1. What are the principal advantages of the craft union? The industrial union? Which type of organization do you favor as best suited to the needs of labor today?
2. Changing industrial conditions have made the industrial type of union more suitable to the workers' present needs. Do you think this is a tenable argument? Defend your position.
3. Under capitalism, the principal emphasis is laid upon production, whereas under communism it is placed upon consumption. Is this statement true?
4. Do you think Soviet Russia offers a good example of the effectiveness of the communist system? Why?
5. What were the economic conditions which led to a greater centralization of governmental control following the War of 1812? Do you see any resemblance between those conditions and the ones which have led to greater centralization today?
6. Why is it considered unlikely that Mussolini will actively push Hungary's territorial claims?
7. Do you favor the idea of a national incorporation law? What might be the results of such a measure?
8. Who is the present titular head of the Republican party? What steps do you think the Republicans should take to recoup their losses?

Federation of Labor Meets to Chart Future Course

(Continued from page 1)



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A. F. OF L. LEADER WILLIAM GREEN

dustries, it is called the horizontal union. As Lewis L. Lorwin, an expert on the history of labor organization in this country, defines them, craft unions are those "which combine workers of identical skill and training in different trades, or those working on a single specialized process."

Industrial Unions

The particular skill, or craft, is thus the basis of the first type of labor union. The second type of labor union is called the industrial, or vertical, union. The particular product manufactured, or materials used, govern organization in the industrial union. This type of organization includes all workers in one industry, regardless of the specialized work they perform. Thus there is the United Mine Workers of America, largest union in the country, which includes different types of mine workers. Similar organizations have been established in the steel, rubber, cement, textile, and other industries.

Now it can be seen that there are certain fundamental differences between craft and industrial unions. The craft union, by the very nature of its organization, appeals to skilled workers, whereas the industrial union holds its appeal to both skilled and unskilled workers, especially the latter. Until recent times, the craft form of organization has been dominant in the American labor movement. The advantage of such organization has been outlined by Willard L. Thorp, an authority on the subject, as follows:

The necessity for skill limits the available supply of labor and gives bargaining power to any organization which can include most of the workers in any given market in its membership. In most of these instances the number of employers is large, so that labor strategy can take advantage of possible differences among them in attitude and strength of resistance.

And it is true that the American Federation of Labor, by remaining primarily a craft-union organization, has accomplished a great deal for its members in the way of higher wages, shorter hours, and generally more favorable working conditions. When employers have been unwilling to grant requested concessions to workers, strikes have been called with a marked degree of success because the craft unions were in a position to shut off the supply of skilled labor.

During recent times, however, there have been certain industrial changes which have altered the situation rather fundamentally. Most industries have become highly mechanized so that the demand for skilled workers has grown less and less important. Special skill has been required generally only in the smaller industries or in the

hand industries. The great mass-production industries, some of which we have already listed, needed only a few workers with special skills or crafts. The bulk of their employees were obliged to perform work which demanded very little special training.

Because of the fact that the A. F. of L. has given scant encouragement to industrial unions, the great mass of workers have remained unorganized. Out of approximately 40,000,000 workers in the United States less than 10 per cent have become members of A. F. of L. unions. There have, to be sure, been industrial unions in the Federation. The largest of all its members is the United Mine Workers of America, headed by the fiery and aggressive John L. Lewis. The International Ladies Garment Workers, the Amalgamated Clothing Workers, the United Textile Workers, all industrial unions, are among the most powerful members of the A. F. of L. But that organization has remained under the control of the craft unions with their philosophy of skilled-labor unionism.

Lewis and the C.I.O.

It was because of the reluctance of the leadership of the A. F. of L. to make an active campaign to organize the mass-production industries of the country into industrial unions that the Committee for Industrial Organization was formed last year. John L. Lewis became head of the committee, which was originally composed of eight unions. Later four more joined the C. I. O., and only recently two additional unions have come in, bringing the total number of unions affiliated with it to 14. Estimates as to the total membership of C. I. O. unions differ, although it is certain that they include at least a third of the A. F. of L.'s 3,045,347 members.

From the outset, William Green, president of the A. F. of L., and the executive council of the Federation, were opposed to the activities of the C. I. O. They felt that it was a rival organization within the Federation. In May, the C. I. O. was asked to dissolve; which request the Lewis group ignored. Later, members were ordered to appear before the executive council to answer charges of promoting what was called "dual unionism." Again the order was disobeyed, with the result that in August the unions belonging to the Committee for Industrial Organization were suspended from membership in the Federation of Labor.

Since its formation, the C. I. O. has con-

ducted an aggressive campaign to organize workers in mass-production industries into industrial unions. Its principal fire has been centered on the great steel industry. From July 1, when the campaign was launched, to November 5, the Lewis group claimed to have brought 82,315 steel workers into the Amalgamated Association of Iron, Steel, and Tin Workers. Unions belonging to the C. I. O. have contributed large sums of money to this organizing campaign, the United Mine Workers alone contributing half a million dollars. Admittedly, the movement has not shown the results which many of its staunchest supporters hoped for; however, its leaders assert that they have laid solid foundations for the future and that before long real results will be seen not only in the steel industry but in the automotive, rubber, and other mass-production industries as well.

Encouraged by the gains it has made and by the results of the presidential election, the C. I. O. has begun to speed up its campaign to increase union membership. The Amalgamated Clothing Workers on the eve of the Tampa convention added a million dollars to the unionization fund. Another strong member of the C. I. O., the International Ladies Garment Workers, has dug up half a million dollars. While it is expected that a large part of this money will be used in the drive to increase the membership of these two unions, certainly a part of it will go into the regular war-chest of the C. I. O. for mass organization. An incidental effect of this additional vigor is expected to be the strengthening of the industrial unionism cause at the time of the Tampa convention.

The big question to be considered at Tampa was whether the C. I. O. unions should be formally expelled from membership in the Federation of Labor. Some of the more moderate leaders cautioned against such action, in view of the fact that it would certainly lead to a permanent breach in the ranks of organized labor, thus greatly weakening the position of labor as a whole. If the door were not finally closed to negotiation, it was contended, a compromise might be worked out at a later date. Final decision on this question is not known as this issue of THE AMERICAN OBSERVER goes to press.

Meanwhile, labor is looking to other big problems by which it is confronted. Labor is determined to seek a greater share in the returning prosperity. It feels that as re-



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covery has continued during the last few months, labor has not received its due share. Wages have not increased as rapidly as profits. In many cases, hours of work have been lengthened, with the result that reemployment has lagged. Whether the Tampa convention will go so far as to endorse such drastic measures as the 30-hour week is not known, although it is certain that a strong stand will be taken for higher wages and shorter hours. The position of labor on this point is clear. If recovery is to be lasting, the great consuming public, of which workers form a large part, must be given adequate purchasing power to absorb the product of industry. If too much of the profit of industry goes to stockholders in the form of dividends, we will find ourselves in a position not unlike that which resulted in the crash of 1929. Labor therefore emphasizes the necessity of high wages as a guarantee against future depressions.

Wage Increases

The recent action of certain leading industries to increase the wages of their workers has been differently interpreted by labor leaders. John L. Lewis, for example, has denounced the average increase of 10 per cent in steel wages as entirely inadequate. This voluntary action has been regarded by many leaders as an attempt to thwart the efforts of the C. I. O. to unionize the steel workers. Mr. Lewis, however, contends that his drive will continue with renewed vigor, claiming that "the steel workers realize that if the threat of unionism can bring an inadequate wage raise, vacations with pay, and other benefits, nation-wide organization will result in far greater and permanent gains."

It is too early yet to predict the effects of the recent wage increases, which are said to affect in the neighborhood of 1,000,000 workers. If the raises are accompanied by increases in prices, for example, as the steel industry indicates they will be, certain of the good effects will be nullified, for the cost of living will have been increased. Considerable pressure is being brought to bear upon the steel industry to follow the example of the automobile industry of passing the benefits of its returning prosperity on to the consumers in the form of lower prices. In a study which has greatly influenced economic thought in this country, the Brookings Institution of Washington urged producers to solve the problem of increasing mass purchasing power by lowering the price of their product. In this way, the report contended, all the people, farmers as well as workers, would share in the benefits, and consumption could be kept in line with production. If the steel industry should increase its prices at this

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HOW SHALL THE WORKINGMAN BE ORGANIZED?